



S.G. STEEN
Division Sales Manager

September 22, 1993

7000 Airways Park Drive
East Syracuse, NY 13057
315-463-1971
Fax 315-463-2045

To: R.C. Farmer

Subject: **1993 NEW YORK STATE FAIR**

Dear Roger:

The 1993 New York State Fair set an all time attendance record of **860,807**. For RJR, the 1993 Fair was an even bigger success than 1992. Leveraging the Winston Activity Pavilion was once again the heart of the program. By utilizing the Pavilion/Simulator we were able to obtain the following components that greatly assisted RJR in building business.

- 40,000 admission tickets, 10,000 of which were free. Beginning with ticket number 10,001 up to 40,000 we agreed to pay \$2.00 per ticket. 40,000 tickets were printed and utilized as a 3 pack Winston retail offer (\$6.00 value). **19,106** tickets were redeemed, which is a **48%** redemption rate.
- Fair provided free editorial copy in the 1993 Fair guide for the Winston Activity Pavilion. Circulation is 2.2 million copies as a Sunday newspaper insert across the State of New York.
- Fair also provided free advertising on their electronic digital billboard from August 1, 1993 through September 6, 1993 for the Pavilion.
- Fair provided free concert event tickets, front row center, for key RJR customers.
- Approximately 1,400 people per day rode the Simulator. The Simulator ran at maximum capacity for 12 days.

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"We work for smokers."

To penetrate retail as much as possible we also utilized a Distributor Assist Program for C and D calls. This contributed greatly to the redemption success of 48%.

Fair Concession Stands

In 1993 we were successful in eliminating PM presence from the New York State Fair in spite of the \$200,000.00 yearly sponsorship money Miller Brewing pays the Fair for "Miller Court". Seven concession stands were custom built for Fair cigarette concessionaires, Sue and Vito Ostuni. Special Winston advertising was developed by Ken Hedrick for placement on each stand.

Our agreement with the concessionaire included the following:

- The reduction in brands carried from 42 to 19, 17 of which were RJR. The only two competitive brands were Marlboro King and Newport King.
- Prices on RJR brands were \$2.75. Marlboro King and Newport King were \$3.00.
- RJR had exclusive promotion rights.

Concession Results

Melinda Simmons greatly assisted our program by obtaining 10,000 Nascar T-shirts. These T-shirts were leftovers and not slated to be used for any retail promotion. We developed a buy 3 packs, get a free Nascar T-shirt. It was by far the most successful premium in the booths. Consumers viewed these shirts as collectors items in that they were from races all over the U.S. in 1992. Melinda also obtained 3,000 1993 Winston Drivers Posters, which we utilized as a 3 pack premium.

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In 12 days the concession stands sold 3,100 cartons. 2,976 cartons or 96% of product sold was RJR product. In 1992 RJR did only 18% of the business in the stands. Calculated out, almost 80% or 24,800 packs were sold to competitive smokers in essence, as trial and/or sampling.

Secret Fairgoer Program

To maximize potential trial we utilized a consumer mission type program. Each booth cashier was schooled on consumer mission presentations primarily targeted against Marlboro King and Newport King prior to the Fair. During the Fair they were to suggestively sell our brands instead of simply selling Marlboro King or Newport King. Twice each day we asked someone in the crowd to go up to a booth and request either Marlboro King or Newport King. If the person working the booth worked the consumer mission offer and suggestively sold our brands he/she was rewarded on the spot with \$10.00. As the Fair went on, the concession workers became very competitive between one another to see who could switch more customers from either Marlboro King or Newport King to an RJR brand and ultimately get rewarded with the \$10.00. Additionally, even though Marlboro Lights were not available at the booths, we asked that they suggest Camel Special Lights to gain trial. Camel Special Lights sold exceptionally well.

Motorsport Traditions - Nascar Apparel Trailer

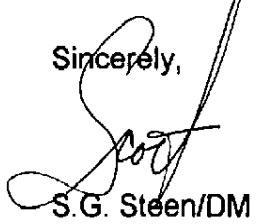
Leveraging the space occupied by the Pavilion, we approached Motorsport Traditions (Winston-Nascar apparel licensee) about a cooperative program featuring discounts on Nascar apparel with a trade-in of 3 proofs of purchase from Winston packs. Motorsport Traditions also provided us with a quantity of Winston Nascar apparel at no charge, that we utilized as Local Performance Awards for the reps and retail drawings. The apparel trailer was placed on location near our Pavilion free of charge from an additional negotiated agreement with Fair personnel.

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In summary the success we enjoyed in 1993 at the New York State Fair can be attributed to a strong team effort, which included many different people in numerous departments throughout RJR; Chris Pendy, SMM, SASA; Melinda Simmons, SMM, NASA; Robert Crawford; Marty Owens; Ken Hedrick; and Mike Duffy. Without all of their assistance, the Fair program would not have been as successful. I feel it is in RJR's best long term interest to continue our programs with both the New York State Fair and the concessionaire. By continuing to leverage Sports Marketing properties, such as the Pavilion/Simulator, we can continue to build volume and market share profitability in the Central New York area.

Sincerely,



A handwritten signature in cursive ink, appearing to read "S.G. Steen/DM".

SGS/jb

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